

W 01906A-09-0283

ORIGINAL

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM



0000098142

Investigator: Brad Morton

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 - 82088

Date: 9/29/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Robert J. Last: Drake

Account Name: Robert J. Drake

Home: [REDACTED]

Street: [REDACTED]

Work: Arizona Corporation Commission

City: Sierra Vista

CBR: [REDACTED]

State: AZ Zip: 85650

is: [REDACTED]

Utility Company: East Slope Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

From: Robert Drake [REDACTED]
Sent: Monday, September 28, 2009 2:08 PM
To: Utilities Div - Mailbox
Subject: East Slope Water Company - Request for Rate Increase

Name: Robert J. Drake
Address: [REDACTED]
Phone: [REDACTED]
Utility Company: East Slope Water Company

Docket No.: W-01906A-09-0283

COMMENT:

We have been away from home for two months and upon returning found the notice of Mr. Bob B. Walker and associates, requesting a rate increase approval from your Commission. We are customers of the East Slope Water Company. Our apologies for this late comment.

We moved from another State to Sierra Vista, AZ about a year and one-half ago and purchased a home that is served by the East Slope Water Company. We are retired and on a fixed income. I have a Masters Degree in Public Administration from Harvard.

Of course, we would rather see the East Slope Water Company remain in business and provide service than for them to declare bankruptcy and each of its customers have to drill wells. We do not have funds for such and it is probable that most of the other 1800 customers do not either.

It seems obvious, from the statements in Mr. Walker's emergency sur-charge request, that he (and any other

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previous owners) have just barely kept the system working over the years and it is in such a state of disrepair that if he does not get his rate increase, he is likely to dump the system and leave 1800 customers without water. That seems like a mild form of blackmail. It also seems obvious that the East Slope Water Company's revenue has almost entirely gone into the owners' pockets rather than in maintaining a viable water system.

My additional concerns are that this is a 200% increase in rate, there is no ending date and there is no guarantee that the increase in revenue will be used to repair and upgrade the system. What is to keep the owner from simply keeping the system running and pocket the windfall profit? It appears that he has, in the past, sucked off revenue as personal income rather than maintaining the system in its original state. Can we trust him that he will not do it again?

My recommendations are:

1. That the rate increase be not more \$10 per month per customer. Even that sounds outrageous - 100% increase.
2. That the increase be limited to three years and then the rate return to its current level - that is a \$648,000 increase in revenue over a 3 year period.
3. That stipulation be included in the rate increase that the additional revenue can only be used to upgrade and repair the physical water system.
4. That stipulation be included that an independent fiscal audit be conducted at the end of each year to insure the additional revenue has in fact been for system upgrade and a report of the audit be submitted to your Commission and the East Slope Water Company customers.

Sincerely, [Signature]

Robert J. Drake
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed
End of Comments

[Signature]
Date Completed: 9/29/2009

Opinion No. 2009 - 82088
